

R.J. REYNOLDS

Tobacco Company

July 19, 1996

DAVID W. KEENEY
Key Account Manager4500 Pewter Lane, Bldg. #1
Manlius, NY 13104
315-682-2008/2026
Fax 315-682-2080
VoiceMail 1-800-757-8255
Ext. 71672Mr. Dick Beuscher
Fay's Drug Co., Inc.
7245 Henry Clay Boulevard
Liverpool, NY 13088Re: Coupon/VPR Application

Dear Dick:

I'd like to take this opportunity to thank you for assisting RJR in the execution of each of our Retail Programs. Hopefully our Promotional Activities are assisting you in attaining your Volume and Share of Market goals, as they pertain to our Partnership Program, as well as your overall company objectives.

As you know, we have expanded our Promotional Programs to include "Price-Off" discounting on various brand styles. You have been integral in developing and executing procedures to help us get the product to retail in a timely manner.

We have recently re-enforced to our Sales Force the importance of clean, crisp execution of our "Price-Off" programs at retail. One of the most important facets of this type of execution is Product Presentation. We apply several different types of "Price-Off" coupons and stickers to our products. When these are applied incorrectly, it severely diminishes our ability to impact the consumer, which is a goal that I believe we both share.

As our Partner, I am asking that you review the attached sheets that illustrate the correct and incorrect ways to apply our "Price-Off" coupons and stickers. Please ensure that these illustrations are distributed to all personnel within your organization that may be responsible for application.

If you have any questions, or concerns regarding these procedures, please contact me.

In advance, thank you for your attention to this critical matter.

Sincerely,

Dave
D.W. Keeney
Key Account ManagerDWK/jb
Enc.

cc: R.C. Farmer

w/w ?
7/30/96

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